

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 ONY-00 /011 W
-----050349Z 022085 /14-R

R 032245Z MAR 77
FM AMEMBASSY PANAMA
TO SECSTATE WASHDC 913
INFO AMEMBASSY ABU DHABI
AMEMBASSY CANBERRA
AMCONSUL HONG KONG
AMEMBASSY JAKARTA
AMEMBASSY KINGSTON
AMEMBASSY LONDON
AMCONSUL MONTREAL
AMEMBASSY MOSCOW
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY SANTA DOMINGO
AMEMBASSY SINGAPORE
PANCANAL
USSOUTHCOM

C O N F I D E N T I A L PANAMA 1502

E.O. 11652: GDS
TAGS: PN, BTID
SUBJECT: ANDERSON'S CONTEMPLATED VENTURE IN PANAMA

REF: (A) PANAMA 0998; (B) PANAMA 1115*(C) PANAMA 1231;
(D) PANAMA 1347

SUMMARY: SUBJECT VENTURE FACING MANY STUMBLING BLOCKS. SO FAR, THERE IS NO RPT NO MEETING OF THE MINDS BETWEEN GOP AND ANDERSON GROUP REPS. PACIFIC/ATLANTIC BANK (P/AB) IS IN DIRE NEED OF FUNDS. ON MARCH 2, ANDERSON'S CHIEF REP, SHIPPEEN ASKED E. WONG'S ON, DENNIS, TO HOLD ON PENDING OUTCOME OF OF HIS MEETINGS WITH GOP MINISTER BARLETTA AND GERMAN
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BANK CONSORTIUM IN MONTREAL, MARCH 9. IN THE MEANTIME, PROSPECTIVE ARAB INVESTORS, REPORTEDLY BROUGHT TO PANAMA BY LT. COLONEL NORIEGA, MAY COMPLICATE THE SITUATION. EMD SUMMARY

1. FOLLOWING LATEST DEVELOPMENTS FROM COM COUNSELOR'S MEETING WITH E. WONG'S SON, DENNIS, LATE MARCH 2:

2. P/AB NOW REQUIRES \$350,000 INSTEAD OF THE \$250,000 (REF D) TO MEET ITS LIQUIDITY COMMITMENTS BY MAY 10. HOWEVER, SHIPPEE STALLING DENNIS' REQUEST FOR SECOND INSTALLEMENT OF \$100,000 (REF D) WHICH P/AB URGENTLY REQUIRES FOR MARCH. SHIPPEE'S EXPLANATION FOR DELAY WAS HE STILL SEEKING A) REFINANCING P/AB'S BUILDING (REFS B AND D) AND B) GOP ASSURANCE THAT BANCO NACIONAL (BN) "WOULD NOT DO ANYTHING STUPID," FOLLOWING ITS LETTER OF FEBRUARY 14 (REF C).

3. BY TELEX MESSAGE MARCH 2, SHIPPEE INFORMED DENNIS HE ARRANGING IN MONTREAL ON MARCH 9 "IMPORTANT" MEETING BETWEEN VISITING GOP MINISTER PLANNING & ECONOMIC POLICY, DR. NICOLAS ARDITO BARLETTA, AND GERMAN BANK GROUP "DAIBEC" (?). FORMER EXPECTED TO BE ACCOMPANIED BY JOSE WATSON CHIEF PROTOCOL, GOP MINISTRY FOREIGN RELATIONS. SHIPPEE ASKED DENNIS TO "STABILIZE SITUATION" PENDING OUTCOME THIS MEETING. DENNIS MENTIONE BANK OF MONTREAL SHIPPEE'S PRINCIPAL BANKER. (FYI - COUNCIL OF AMERICAS IN NEW HOLDING MEETING/RECEPTION FOR DR. BARLETTA AND HIS DELEGATION THAT DATE.)

4. IN TELEX COMMUNICATION MARCH 2, DENNIS SUBMITTED TO SHIPPEE FOLLOWING PROPOSAL WHICH HE BELIEVES WILL SUPPORT SHIPPEE'S POSITION VIS-A-VIS HIS SHAREHOLDERS (PRUDENTIAL GROUP - REF A): A) E. WONG WOULD SET ASIDE FROM P/AB ASSETS--SUBJECT TO BANKING COMMISSION'S APPROVAL-- AN AMOUNT OF RECEIVABLES TO AN ASSET VALUE OF \$500,000, CONFIDENTIAL

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B) THESE RECEIVABLES WOULD BE PAID AS REALIZED INTO A SPECIAL ACCOUNT AT THE MONTHLY RATE OF 50,000; AND SUCH ACCOUNT WOULD BE UNDER SOLE CONTROL OF GROUP'S ATTORNEY CARLOS LOPEZ GUEVARA (REF A); C) AGAINST THE SECURITY, SHIPPEE WOULD ADVANCE WONG A TOTAL SUM OF \$350,000 AS WHEN REQUIRED TO MEET P/AB'S COMMITMENTS; AND D) AS THE SUM SO ADVANCED WAS REPAID, ANY AMOUNT TO THE CREDIT OF THIS ACCOUNT WOULD BE REFUNDABLE TO P/AB.

5. RE REFINANCING P/AB, FRANCOFIN (REF D) RESPONSE NEGATIVE. DENNIS DOUBTFUL WHETHER BANCO MERCANTIL (REF B) AND OTHER LOCAL FINANCING INSTITUTIONS WILL BE ABLE TO RAISE \$3 MILLION TO SETTLE P/AG'S INDEBTEDNESS TOWARD BN (REF B).

6. IN THE MEANTIME, DENNIS HIGHLY PERTURBED OVER RECENT ARRIVAL AT PANAMA HOTEL OF THREE PROSPECTIVE ARAB INVESTORS WHO HAD BEEN REPORTEDLY TOURING THE HOTEL AND BEEN SEEN BY DEENIS INSPECTING THE P/AB

BUILDING AT A DISTANCE, IN THE COMPANY OF A B/N REP.
DENNIS MANAGED TO GET THEIR NAMES AND ADDRESSES
AS FOLLOWS THROUGH HOTEL CONTACTS: A) ARISTI HECTOR (BROKER)
3 RUE BANJAMINE, GODARD (?) FRANCE; B) ABED HUSSEIN AMIN,
BOX 1376, DEIRA, DUBAI, AND C) PARVEZ HARIF (IRANIAN?)
908 SO. BROADWAY, LOS ANGELES (NOT LISTED IN EMBASSY
1972 TELEPHONE DIRECTORY). ANOTHER EMBASSY SOURCE RE-
PORETD THAT ALL THREE CAME FROM SANTA DOMINGO AND WERE
GUESTS OF LTM COLONEL MANUEL NIRIEGA, GUARDIA NACIONAL'S
INTELLIGENCE CHIEF.

7. COMMENTS: ANDERSON'S VENTURE IS BECOMING MORE AND
MORE COMPLICATED, FOLLOWING SHIPPEE'S CAUTIOUS STANCE,
THE RELUCTANCE OF THE LOCAL FRENCH LENDING INSTITUTIONS
TO ASSIST P/AB AND THE APPEARANCE OF PROSPECTIVE ARAB
INVESTORS. IN CONNECTION WITH LATTER, THERE WERE RUMORS
LAST DECEMBER THAT NORIEGA AND A GROUP OF HIS WERE EYEING
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PANAMA HOTEL BECAUSE OF PANAMA'S DEVELOPING TOURIST IN-
DUSTRY. THE SITUATION IS EXPECTED TO CRYSTALIZE WITHIN
THE NEXT TWO WEEKS, OTHERWISE P/AB WILL NOT BE ABLE
TO OPERATE ANY LONGER. MEANWHILE, EMBASSY WOULD APPRECIATE
RECEIVING ANY DATA ON ANDERSON GROUP, IF ANY (REF A).
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Message Attributes

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Decaption Note: 25 YEAR REVIEW
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Disposition Case Number: n/a
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